



NOVEMBER 8, 2018

NV-2018-03

## LOSS COSTS OR RATE FILING APPROVAL

### Nevada—Approval of Voluntary Loss Costs, Assigned Risk Rates, and Rating Values to Be Effective March 1, 2019

**ACTION  
NEEDED**

Please review this circular, which contains information on approved voluntary loss costs, assigned risk rates, and rating values for Nevada. These will become effective March 1, 2019, for new and renewal policies.

When a participating company receives this approval circular containing advisory loss costs and other supplementary rating information, the company must decide what actions to take.

**Company Action Table**

If	Then
Company decides to use the prospective loss costs and effective date as filed with no change to its previously filed and approved loss cost multiplier	<p>Company does not need to take action. Prospective loss costs filed by the advisory organization are automatically adopted by subscribing companies. Company may continue to use the loss cost multipliers it previously filed.</p> <p>Company otherwise must file all of the rates, supplementary rate information, supporting data, and changes and amendments that it intends to use, except any information filed by the advisory organization. Company may adopt any supplementary rate information or supporting data that it previously filed and was approved. Company may file its rates by filing final rates or a multiplier and, if used, a premium charged to each policy regardless of size which, when applied to the prospective loss costs, results in final rates.</p>
Company decides to modify the filed prospective loss costs	Company cannot deviate from the loss costs filed by the advisory organization.
Company decides to use the prospective loss costs, but with a change to its previously approved loss costs multiplier	Company must file with the Commissioner its revised loss cost multiplier.
Company decides to use the prospective loss costs, but with a different effective date	Company must file with the Commissioner its proposed effective date.

**BACKGROUND**

This approval circular is a supplement to Filing Circular NV-2018-02.

NCCI recently submitted a voluntary advisory loss costs, assigned risk rates, and rating values filing to the Nevada Division of Insurance. The filing is proposed to be effective March 1, 2019, for new and renewal policies.

The filing proposed an overall average loss cost level decrease of 8.1% for the voluntary market and an overall average rate level decrease of 7.3% for the assigned risk market. Voluntary advisory loss costs in this filing exclude all expense provisions (except loss adjustment expenses). The filing was approved as filed.

Please note the following in connection with this filing:

- As a result of Item B-1435, effective March 1, 2018, Class Codes 1860, 4279, and 4282 are combined to reflect the final year of a two-year transition program, and Class Codes 1860 and 4282 are discontinued
- As a result of Item R-1414, effective January 1, 2019, new parameters are shown on the *Retrospective Rating Plan Manual* pages
- As a result of Item R-1415, the retrospective rating plan parameters were updated

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**IMPACT**

An overall average loss cost level decrease of 8.1% for the voluntary market and an overall average rate level decrease of 7.3% for the assigned risk market have been approved. These will be effective March 1, 2019, for new and renewal policies.

**Important: Each insurer must adopt the revised voluntary loss costs effective March 1, 2019, for all new and renewal business.**

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**NCCI ACTION**

Revised manual pages will be mailed shortly to subscribers of NCCI's *Basic Manual*, *Experience Rating Plan Manual*, and *Retrospective Rating Plan Manual*. If you would like to subscribe to any of our manuals, please contact our Customer Service Center at 800-NCCI-123 (800-622-4123).

We will post this approval circular on [ncci.com](http://ncci.com).

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**PERSON TO CONTACT**

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